Treasury Board of Canada Secretariat

2011–12

Report on Plans and Priorities

Original signed by

The Honourable Tony Clement
President of the Treasury Board and Minister for the Federal Economic Development Initiative for Northern Ontario

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President's Message

I am pleased to present the 2011–12 Treasury Board of Canada Secretariat's Report on Plans and Priorities. This report sets out the Secretariat's plan to support the Government of Canada and its employees in meeting the priorities of Canadians.

During the recent global recession, the Secretariat helped Canada's economic recovery by implementing *Canada's Economic Action Plan* quickly and responsibly. Our focus has now shifted to controlling the growth of Government spending and balancing the budget by 2014–15.

At the same time, we are working to improve the services that the Government provides to Canadians by modernizing how government works, renewing our workforce and workplace and managing our people effectively.

As we move forward, we will continue to ensure that the right mix of policies for managing Government, human resources and budgeting are in place to efficiently continue to support ongoing economic growth, job creation and a return to balanced budgets.

I invite all Canadians, through this report, to see how the Treasury Board Secretariat plans to achieve its objectives in the year to come.

Original signed by

The Honourable Tony Clement
President of the Treasury Board and Minister for the Federal Economic Development Initiative for Northern Ontario

Section I: Departmental Overview

Raison d'être

The Treasury Board of Canada Secretariat (the Secretariat) is the administrative arm of the Treasury Board. It supports Treasury Board ministers and strengthens the way government is managed to ensure value for money in government spending and results for Canadians.

Responsibilities

The Secretariat makes recommendations and supports the Treasury Board in each of its roles (see text box "Treasury Board Roles") by providing advice on policies, directives, regulations, and program spending to promote sound management of government resources. The Secretariat also provides leadership and guidance on management functions within departments and agencies, while respecting the primary responsibility of deputy heads in managing their organizations and their role as accounting officers to Parliament.

Treasury Board Roles

The Treasury Board is a Cabinet committee of ministers invested with a broad range of responsibilities for management excellence, policy development, and budget oversight. As general manager of the public service, the Treasury Board's three main roles are as follows:

- It is the government's **management board**, responsible for promoting improvement in management performance, developing policies and priorities to manage government assets and resources, and overseeing the government's regulatory function.
- It is the government's **budget office**, responsible for examining and approving the proposed spending plans of government departments and agencies and for financial management and reporting.
- It is responsible for **people management** and is the employer of the core public administration.

Within the Secretariat, the Comptroller General of Canada provides government-wide leadership, direction, oversight, and capacity building for financial management, internal audit, and acquired services and assets management. The Chief Human Resources Officer leads people management across the federal public service by developing workplace policies, centrally managing labour relations, compensation, and pension and benefit plans, and developing executive leadership. The Chief Information Officer provides government-wide strategic direction and leadership for information management and information technology (IM/IT), including identity management, security, and access to information and privacy.

The Treasury Board Portfolio consists of the Secretariat and the Canada School of Public Service. The Public Service Pension Investment Board, the Office of the Commissioner of Lobbying of Canada, and the Office of the Public Sector Integrity Commissioner report to Parliament through the President of the Treasury Board.

When working with federal departments, agencies, and Crown corporations, the Secretariat plays three central agency roles:

- An enabling role to help organizations improve management performance;
- An oversight role that includes developing policies and standards and reporting on the government's overall management and budgetary performance; and
- A leadership role in driving and modelling excellence in public sector management.

Through legislation such as the *Federal Accountability Act*,[i] as well as through the renewal of the Treasury Board policy suite, greater emphasis has been placed on the Secretariat's enabling role—helping deputy heads maximize their flexibility to achieve management excellence within their organizations.

The following diagram depicts how the Secretariat fulfills its three central agency roles and how it supports the Treasury Board.

How the Secretariat Works with Organizations

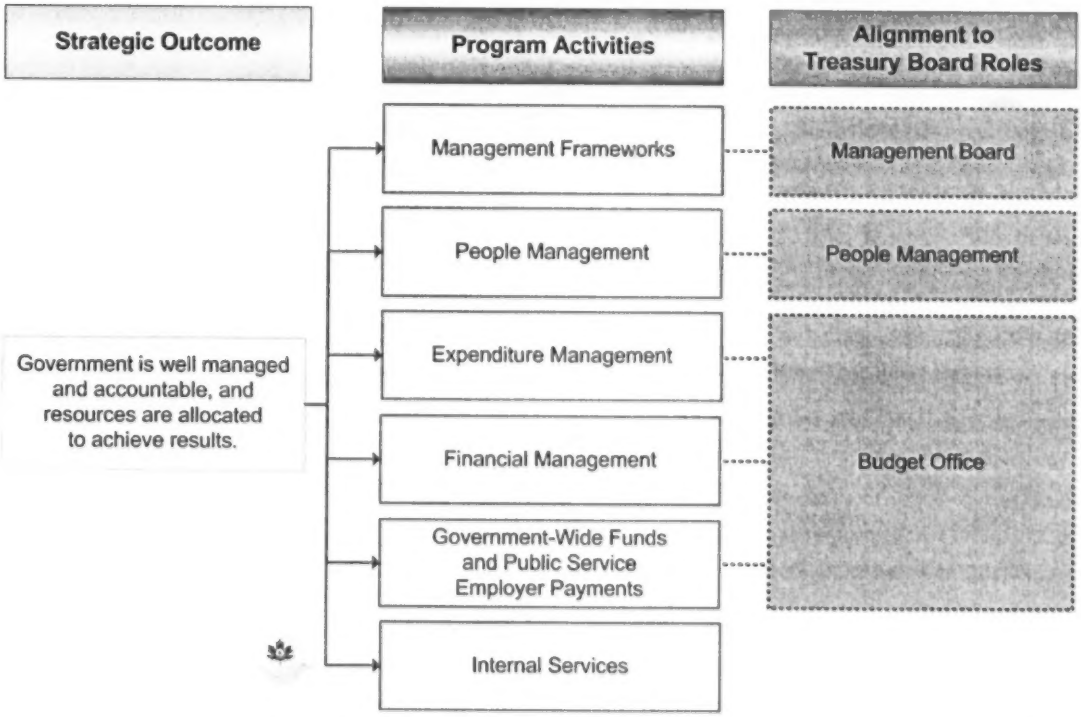
Strategic outcome and program activity architecture

All of the Secretariat's efforts and activities are guided by its strategic outcome:

> Government is well managed and accountable,
> and resources are allocated to achieve results.

The following diagram illustrates the strategic outcome and program activities that make up the Secretariat's program activity architecture (PAA). The PAA captures all the program activities that contribute to achieving the Secretariat's strategic outcome. The diagram also demonstrates the link between the PAA and the Secretariat's three key roles. The Secretariat's strategic outcome and each of its program activities are presented in greater detail in Section II.

2011–12 Program Activity Architecture



This symbol indicates that through the Internal Services program activity, the Secretariat contributes to the Federal Sustainable Development Strategy (FSDS), specifically to Theme IV: Shrinking the Environmental Footprint—Beginning with Government. More information on the Secretariat's contribution to the FSDS is provided in the upcoming sections.

Planning summary

The following tables present the total financial resources (i.e., total planned spending) of the Secretariat for the next three fiscal years. This does not include centrally managed funds used to supplement other appropriations that are displayed in the Main Estimates (see "Estimates by Vote and Statutory Item" in Section I).

Financial resources[1]

Operating Expenditures ($ thousands)

2011–12	2012–13	2013–14
282,424	261,021	254,354

Government-Wide Funds and Public Service Employer Payments ($ thousands)[2]

2011–12	2012–13	2013–14
2,452,225	2,328,354	2,318,396

Human resources

Human Resources (full-time equivalents)

2011–12	2012–13	2013–14
2,216	2,151	2,068

This table presents a summary of the total planned human resources for the Secretariat for the next three fiscal years. Human resources are presented as the number of full-time equivalents (FTEs).

1. All the amounts presented in this report may vary due to rounding.
2. Planned spending amounts for 2012–13 and 2013–14 reflect currently approved funding and do not reflect forecasted spending of $2.65 billion and $2.91 billion respectively. Treasury Board approval to increase funding for these years will be sought by 2012–13. For further information, see "Expenditure profile" in Section I.

Planning summary table

Planning Summary ($ thousands)

Strategic Outcome: Government is well managed and accountable, and resources are allocated to achieve results.					
Performance Indicators		**Target**			
Canada's ranking in The World Bank Worldwide Governance Indicators,[ii] indicator 3 "Government Effectiveness."		Top 10 among Organisation for Economic Co-operation and Development member countries (annually).			
Program Activity	**Forecast Spending 2010–11**	**Planned Spending**			**Alignment to Government of Canada Outcomes**
		2011–12	**2012–13**	**2013–14**	
Management Frameworks	70,098	73,043	63,132	63,132	Government Affairs: "Well-managed and efficient government operations."[iii]
People Management	66,375	59,541	57,833	51,939	
Expenditure Management	37,697	36,312	35,387	35,387	
Financial Management	34,837	33,057	26,467	26,467	
Internal Services	85,193	80,471	78,202	77,429	N/A
Sub-Total	**294,200**	**282,424**	**261,021**	**254,354**	N/A
Government-Wide Funds and Public Service Employer Payments	2,287,114	2,452,225	2,328,354	2,318,396	Government Affairs: "Well-managed and efficient government operations."
Total Planned Spending	**2,581,314**	**2,734,649**	**2,589,375**	**2,572,750**	N/A

Operating environment

While governments are continuously under pressure to respond to changing economic circumstances and social demands, at no time in recent history has this been truer than today. The global financial crisis has had a profound impact on the Canadian economy and society. Through its Economic Action Plan, the government introduced timely, targeted, and temporary stimulus to limit the severity of the economic downturn in Canada.

The government has now shifted its focus to the need for fiscal restraint and a return to balanced budgets. Eliminating the deficit will require attention, careful management, and application of the full range of tools at the government's disposal.

At the same time, public sector management in Canada will have to respond to the effects of an aging and increasingly diverse population, compounded by the expected exodus of baby boomers from the workforce. Through the Secretariat, the government is already taking action to renew its workforce, as well as modernize its approach to people management.

The imperative to continually improve effectiveness and efficiency, along with the evolution of new technologies and business practices, is changing the way government delivers programs and services. This includes looking at ways to reduce the administrative footprint of government and at the same time improve service to Canadians.

There is continuous need to reduce red tape in order to reduce the compliance burden on business and the administrative cost of government. In addition, technological advancements and the increasing interconnectedness of society are contributing to a growing public desire for more open and accessible government.

Priorities

The 2011–14 priorities for the Secretariat were informed by its 2010 Strategic Reviews,[iv] the opportunities and challenges of its operating environment, as well as potential corporate risks (see "Risk analysis" in Section I).

Three strategic priorities and two management priorities have been identified to drive progress toward the Secretariat's strategic outcome during the 2011–14 period. Priorities will be supported by the Secretariat's program activities, including a range of specific initiatives that are further described in Section II.

Strategic priorities for the 2011–14 period

1. Support the government in ensuring value for money and sound financial management	
Ongoing priority	This priority is supported by results under the Expenditure Management and Financial Management program activities.

Why is this a priority?

Ensuring value for money in government programs, services, and operations and ensuring sound management and accountability for government resources are essential components of the government's plan to return to balanced budgets.

Plans to support this priority:

- Continue to guide the implementation of government cost containment measures.
- Launch the second cycle of Strategic Reviews[iv] of government spending.
- Support deputy heads in implementing improvements to financial systems and reporting, and build capacity in the financial management community.

2. Advance initiatives to modernize government operations	
Ongoing priority	This priority is supported by results under the Management Frameworks, People Management, and Financial Management program activities.

Why is this a priority?

To continually improve the effectiveness and efficiency of government operations, administration, and services requires continually reviewing and improving business and management approaches and practices. In this context, the Secretariat is advancing initiatives to modernize government infrastructure, streamline rules, and harmonize business processes and systems.

Plans to support this priority:

- Implement initiatives to reduce red tape, including supporting the work of the Red Tape Reduction Commission.[v]
- Support the government's efforts to consolidate internal and external services and standardize government business processes, including financial business processes.
- Provide direction for a more strategic, government-wide approach to IM/IT management, infrastructure, and investments.

3. Crystallize and implement the new approach to people management	
Ongoing priority	This priority is supported by results under the People Management program activity.

Why is this a priority?

The federal public service is a large and diverse national institution. In recent years, the government has made significant changes to its approach to people management, including creating the Office of the Chief Human Resources Officer within the Secretariat, passing the *Public Service Modernization Act*,[vi] and promoting the shift to a risk-based management approach. While much progress has been made, work remains to crystallize this new approach.

Plans to support this priority:

- Support deputy heads in implementing better and standardized human resources (HR) processes and systems.
- Develop a comprehensive approach to compensation.
- Consider and address the results of the legislative review of the *Public Service Modernization Act*.

Management priorities

1. Pursue continuous improvement of the operations of the Secretariat	
Ongoing priority	This priority is supported by results under the Internal Services program activity.

Why is this a priority?

In 2010–11, the Secretariat undertook a Strategic Review Process[iv] that challenged it to examine all of its activities and spending, and identify ways to further increase efficiency and effectiveness in meeting the priorities of Canadians. Implementing the results of the strategic review will be a three-year process requiring focused attention and resources. In this context, the Secretariat will continue to seek opportunities to further increase the efficiency and effectiveness of its internal operations.

Plans to support this priority:

- Effectively manage implementation of the Secretariat's strategic review results over a three-year period.
- Strengthen integrated planning within the Secretariat by moving to a more strategic three-year planning horizon.
- Continue to identify ways to improve efficiency and effectiveness within the Secretariat.
- Develop a long-term accommodations plan that includes plans to renew the Secretariat's workplace.

2. Embed the role of the Secretariat as an enabler, and simplify the oversight function	
Ongoing priority	This priority is supported by all of the Secretariat's program activities.

Why is this a priority?

As a result of the *Federal Accountability Act*,[i] as well as Treasury Board's policy suite renewal,[vii] deputy heads of departments and agencies are now vested with clearer accountabilities and greater management flexibility. For this reason, the Secretariat will place greater focus on its enabling role, improving support to deputy heads, and simplifying the oversight function to promote flexibility, accountability, and results.

Plans to support this priority:

- Use feedback from departments and agencies to strengthen the Secretariat's internal capacity to carry out its enabler role.
- Make more effective use of existing data to enable oversight activities.
- Support departmental implementation of policies and initiatives, including capacity building across government.

Risk analysis

The Secretariat actively monitors its operating environment in order to identify and manage risks that could affect progress toward its strategic outcome. Key risks are captured in the Secretariat's corporate risk profile, which is updated at least once per year. The Secretariat has identified a number of key corporate risks for 2011–12, grouped into two categories: risks affecting the Secretariat's central agency functions and departmental risks related to its internal operations.

Central agency risks

Two key central agency risks have been identified. The first of these is related to a shift in the roles and responsibilities of the Secretariat (toward an enabling role) and deputy heads (to clearer accountability). This risk reflects the complexity associated with the evolving enabling role of the Secretariat as envisaged in the *Federal Accountability Act*[i] and policy suite renewal,[vii] as well as uncertainty around how deputy heads will embrace their new accountabilities over time. This risk is particularly relevant to the Management Frameworks program activity.

The second risk is related to the increasing number and range of cost containment measures and how these interact with and affect the integrity of government operations and the management capacity of departments and agencies. This risk is particularly relevant to the People Management and Expenditure Management program activities.

Strategies to mitigate central agency risks include continuing implementation of the renewed policy suite, strengthening policy monitoring and oversight, exercising expenditure management controls over departmental operating budgets, supporting stability in compensation through early engagement of bargaining agents, and engaging deputy heads in regular discussions to ensure coherent resource management across government.

Departmental risks

Like many organizations, the Secretariat faces challenges and risks related to its aging information technology infrastructure and the need to safeguard information against ever-changing security threats. The Secretariat also manages risks involved in implementing its recent significant organizational changes and in enhancing its preparedness for emergency situations. These departmental risks are relevant to the Internal Services program activity (see "Program Activity 6: Internal Services" in Section II).

Strategies to mitigate these risks include completing the relocation of the Secretariat's data centres, finalizing a Disaster Recovery Plan, implementing the next phase of the IM/IT Security Action Plan, and developing an Emergency Management Plan.

Contribution to the Federal Sustainable Development Strategy

As with other departments and agencies, the Secretariat contributes to the Federal Sustainable Development Strategy (FSDS), through which environmental sustainability has become an integral part of the government's planning and reporting processes. The Secretariat contributes by reducing the environmental impact of its internal operations and thus helps to shrink the overall environmental footprint of government (FSDS, Theme IV). Details on the Secretariat's activities to support sustainable development can be found in Sections II and III. For a full discussion of the FSDS, please consult the Environment Canada[viii] website.

Expenditure profile

For fiscal year 2011–12, the Secretariat's total available funding in the Main Estimates is $5.88 billion. This includes centrally managed funds, in the amount of $3.16 billion, used to supplement other appropriations of departments. The Secretariat's planned spending, not including centrally managed funds, is $2.73 billion.

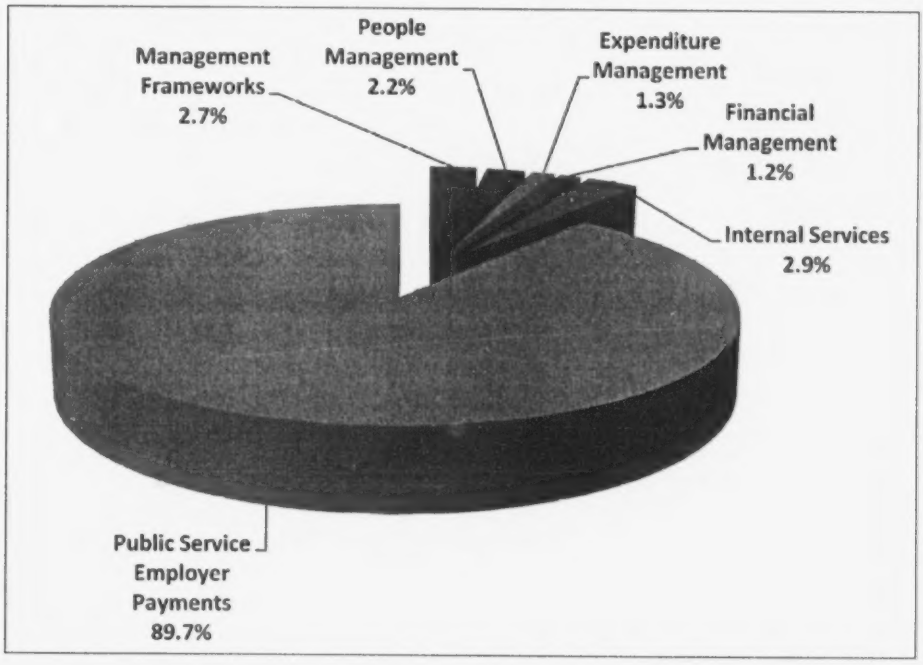
The bulk of the planned spending ($2.45 billion) is related to the Secretariat's role as employer of the core public administration. These funds are used for the following:

- The public service pension, benefits, and insurance, including payment of the employer's share of health, income maintenance, and life insurance premiums;
- Payments to or in respect of provincial health insurance;

- Payments of provincial payroll taxes and Quebec sales tax on insurance premiums;
- Costs associated with the pension, benefit, and insurance plans for employees engaged locally outside Canada; and
- The return to certain employees of their share of the employment insurance premium reduction.

The remaining planned spending ($0.28 billion) is directly related to the operations of the Secretariat and its five other program activities: Management Frameworks, People Management, Expenditure Management, Financial Management, and Internal Services.

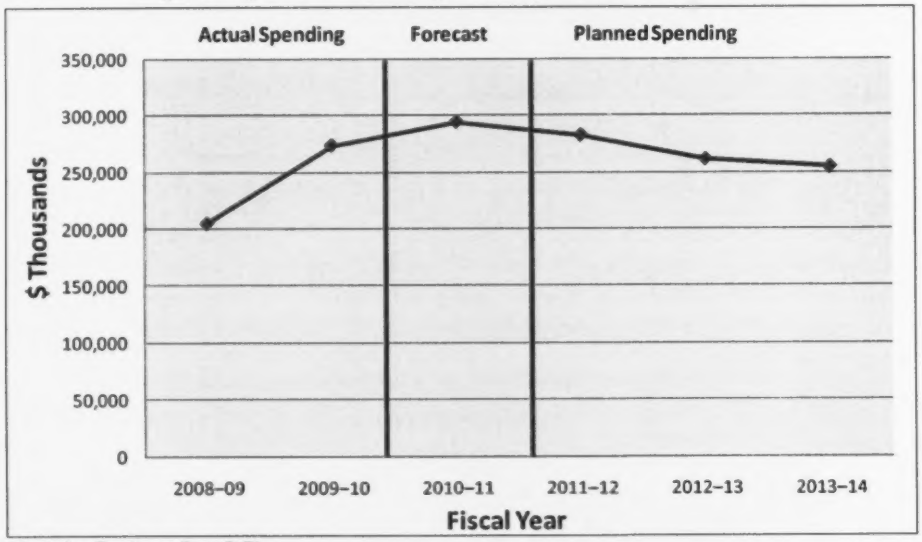
2011–12 Planned Spending



Departmental spending trend

The following illustrates the Secretariat's spending trend from 2008–09 to 2013–14 for the operations of the Secretariat and its five other program activities: Management Frameworks, People Management, Expenditure Management, Financial Management, and Internal Services. These operations reflect the people and activities that support the Secretariat's strategic outcome of ensuring that government is well managed and accountable and that resources are allocated to achieve results.

Spending Trend for Program Expenditures (Vote 1)*



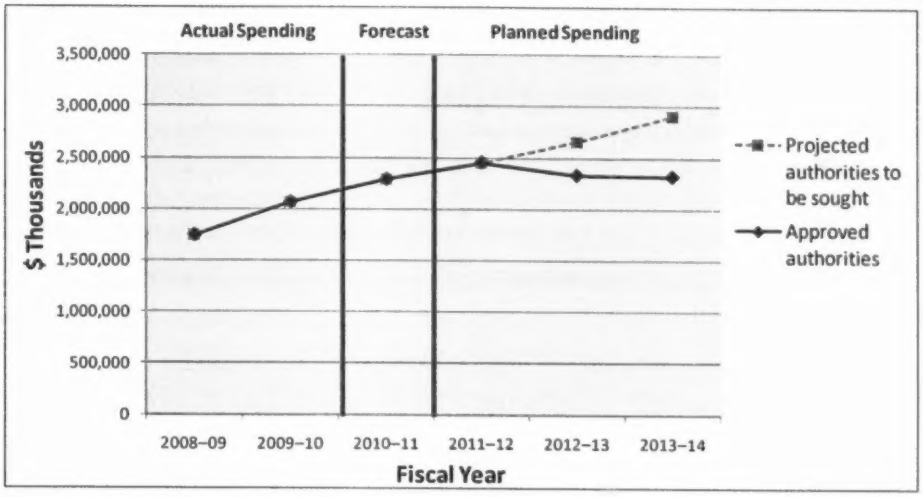
* Includes Employee Benefit Plan

The Secretariat's spending increased in 2010–11 compared with 2009–10 due to the funding received to implement the following initiatives:

- Financial Interoperability and Stewardship Initiative;
- Canada's Cyber Security Strategy;
- Red Tape Reduction Commission;
- Establishment of a litigation management unit within the Secretariat to manage employment and labour relations litigation; and
- Support to the ongoing management of the classification program for the core public administration.

The Secretariat's spending will decrease between 2011–12 and 2013–14 due to the sunsetting of funds for various initiatives within the Secretariat.

Spending Trend for Public Service Insurance (Vote 20)



Expenditures in public service insurance include the payment of the employer's share of insurance plans, employment insurance, and other related expenses.

Public service employer payments are increasing from 2008–09 as a result of growth in the government-wide wage envelope, growth in the public service, and cost of benefits under the plans. Planned spending amounts for 2012–13 and 2013–14 reflect currently approved funding and do not reflect forecasted spending of $2.65 billion and $2.91 billion respectively. The expenditures under Treasury Board central Vote 20, which reflect the cost of Public Service Insurance plans, are projected to increase as a result of continued demographic pressures, the increased usage of services and prescription drugs, as well as the growing per-unit cost of drugs and services. Treasury Board approval to increase funding for these years will be sought by 2012–13.

Estimates by vote and statutory item

For information on votes and statutory expenditures, please see the 2011–12 Main Estimates publication. An electronic version of the Main Estimates is available at http://www.tbs-sct.gc.ca/est-pre/20112012/me-bpd/info/info-eng.asp.

Section II: Analysis of Program Activities by Strategic Outcome

Strategic outcome

Strategic outcome	Performance indicator	Target
Government is well managed and accountable, and resources are allocated to achieve results.	Canada's ranking in The World Bank Worldwide Governance Indicators, indicator 3 "Government Effectiveness."	Top 10 among Organisation for Economic Co-operation and Development member countries (annually).

In support of its strategic outcome, the Secretariat works toward results that strengthen the effectiveness and efficiency of federal government management, support Parliament, Treasury Board, and Cabinet decisions, and ensure that Canadians are well served by a government that is accountable and transparent. The strategic outcome is supported by six program activities:

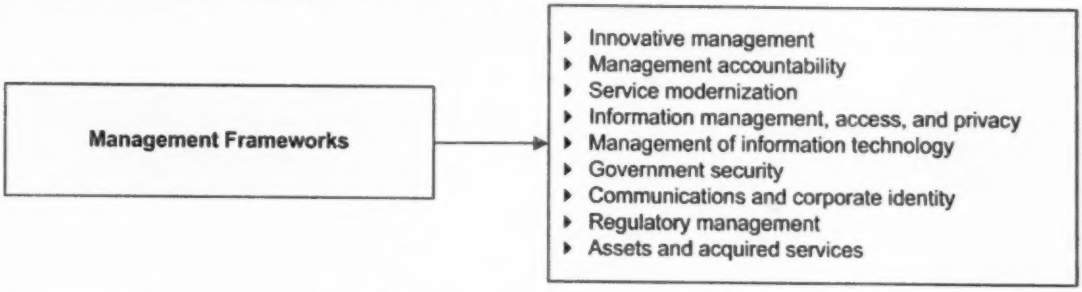
- Management Frameworks
- People Management
- Expenditure Management
- Financial Management
- Government-Wide Funds and Public Service Employer Payments
- Internal Services

Together, these program activities contribute to a well-managed and accountable public service that allocates resources appropriately and effectively to support results for Canadians. Effective government contributes to Canada's competitive advantage, providing a strong foundation for security, stability, and prosperity.

The following section describes the Secretariat's program activities and identifies their expected results, performance indicators, and targets. It presents the financial and human resources planned for each program activity, as well as specific initiatives that represent key investments and priorities for 2011–12.

Program activities

Program Activity 1: Management Frameworks



In support of Treasury Board's role as management board, the Secretariat provides the framework for the management of government operations. It does so by developing specific policies, regulations, directives, and guidelines that, once approved by the Treasury Board, provide the parameters within which deputy heads manage their departments. The Secretariat also helps build understanding and capacity by reaching out to the different communities within departments and agencies (e.g., finance, human resources) that support deputy heads in implementing Treasury Board policies.

In addition to capturing these responsibilities, the Management Frameworks program activity also supports the Secretariat's other program activities and is important for advancing change and continuous improvement in government management. Information about the programs and activities of the Secretariat is available on the Secretariat's website.[ix]

Program Activity 1: Management Frameworks					
Human Resources (FTEs) and Planned Spending ($ thousands)					
2011–12		**2012–13**		**2013–14**	
FTEs	**Planned Spending**	**FTEs**	**Planned Spending**	**FTEs**	**Planned Spending**
533	**73,043**	**518**	**63,132**	**498**	**63,132**
Program Activity Expected Results		**Performance Indicators**		**Targets**	
Continuous improvement in the quality of public service management in the Government of Canada.		Averaged percentage (%) improvement in overall Management Accountability Framework[x] (MAF) scores across departments and agencies for identified areas of weakness from previous round.		5%	

Planning highlights

Through this program activity, the Secretariat will continue to support improved management performance and accountability within departments and agencies. Efforts in this area support the modernization of government operations, which is a key priority for the Secretariat (see "Strategic priorities for the 2011–14 period" in Section I). The Secretariat will also manage the risks associated with the shifting roles and responsibilities of the Secretariat and deputy heads (see "Risk analysis" in Section I).

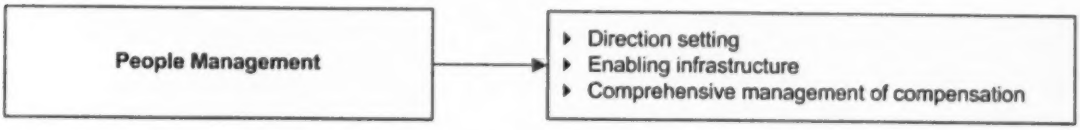
To support this program activity, the Secretariat will undertake the following key initiatives in 2011–12:

- Support the government's efforts to consolidate internal and external services and standardize government business processes through initiatives such as the transformation of financial and human resource processes and functions.
- Engage departments and agencies to reduce the internal administrative burden (i.e., red tape) through continued implementation of the renewed Treasury Board policy suite[vii] (e.g., reducing the rules burden for grants and contributions).
- Effectively support the work of the Red Tape Reduction Commission in improving conditions for investment and reducing barriers for business, as announced in Budget 2010.
- Continue to implement the *Cabinet Directive on Streamlining Regulation*[xi] to help increase departmental capacity for regulatory analysis in priority areas.
- Develop a Government of Canada IM/IT Strategic Plan to promote common approaches in areas such as cyber security, shared systems, and aging IT infrastructure to support government program delivery and operational needs.
- Implement the *Policy on Managing Procurement* in support of the government's cost containment objectives.

Benefits for Canadians

Through the Management Frameworks program activity, the Secretariat promotes continuous improvement in the quality of public service management and the ongoing modernization of government operations; it thereby helps improve the efficiency and effectiveness of programs and services for Canadians.

Program Activity 2: People Management



The Treasury Board's people management role is supported by the Secretariat's People Management program activity. The Secretariat provides analysis and recommendations to Treasury Board to ensure that deputy heads across government have the policies and guidance they need to manage all aspects of human resources within their departments and agencies.

This program activity also includes the Secretariat's responsibilities for overseeing collective bargaining, labour relations, and pension and benefits plans. Information about the programs and activities of the Secretariat is available on the Secretariat's website.[ix]

Program Activity 2: People Management					
Human Resources (FTEs) and Planned Spending ($ thousands)					
2011–12		**2012–13**		**2013–14**	
FTEs	**Planned Spending**	**FTEs**	**Planned Spending**	**FTEs**	**Planned Spending**
490	**59,541**	**475**	**57,833**	**457**	**51,939**
Program Activity Expected Results		**Performance Indicators**		**Targets**	
A federal public service characterized by a culture of excellence and highly engaged employees through strong leadership and a well-managed workforce and workplace.		Improvement in the Public Service Employee Survey[xii] and administrative data in the areas of engagement and culture of excellence.		Improvement in survey and administrative results (ongoing).	
Improved people management performance across the federal government.		Percentage (%) of departments and agencies demonstrating year-over-year improvement in Area of Management (AoM) 10, People Management, as assessed through the MAF.		Target will be based on benchmarks going forward from 2010–11.[3]	

3. Comparison of overall people management performance ratings for the departments and agencies assessed on AoM 10 will be possible only once MAF Round VIII (2010–11) assessments are completed.

Planning highlights

This program activity supports key strategic priorities for the Secretariat, including crystallizing and implementing the new approach to people management and modernizing human resources operations (see "Strategic priorities for the 2011–14 period" in Section I). In delivering this program activity, the Secretariat will also manage possible risks related to the shifting roles and responsibilities of the Secretariat and deputy heads (see "Risk analysis" in Section I).

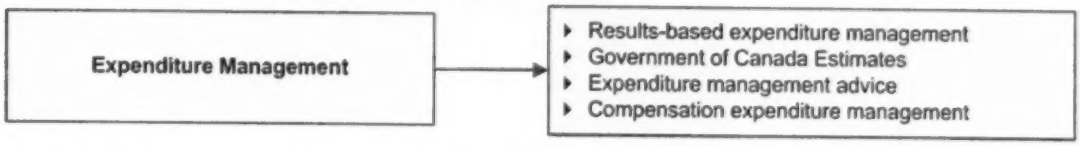
The following key initiatives will support results under this program activity in 2011–12:

- Advance renewal of the people management policy suite (e.g., values and ethics, workplace policies) to support deputy head accountability and effective management practices.
- Support implementation of the Common Human Resources Business Process initiative to improve people management capacity across departments and agencies.
- Work with stakeholders to modernize pension and benefits, and advance the Disability Management Initiative to ensure a comprehensive approach to compensation management.
- Develop regulations that support the implementation of the *Public Sector Equitable Compensation Act*.[xiii]
- Consider and address the results of the legislative review of the *Public Service Modernization Act*.[vi]

Benefits for Canadians

Through the People Management program activity, the Secretariat works to build the capacity of the federal public service to serve Canadians and maintain their trust. This includes attracting, motivating, and retaining a highly effective workforce and ensuring that human resources are managed efficiently and coherently across departments and agencies. It also includes ensuring that compensation is managed within fiscal realities, so that Canadians receive value for money, while also respecting the principle of comparability in the Canadian labour market.

Program Activity 3: Expenditure Management



Of all the Treasury Board's roles, the budget office is probably the best known. It is supported by two program activities: Expenditure Management and Financial Management. Through the Expenditure Management program activity, the Secretariat supports government-wide expenditure planning, allocation, and oversight. The Secretariat provides analysis and support to the President of the Treasury Board to report to Parliament first on the funding estimated for government operations in a specific year and then on the amounts actually expended.

The Expenditure Management program activity includes the Secretariat's responsibility for managing public sector compensation (i.e., the costs of pay and benefits). It also includes the Secretariat's role in reviewing, analyzing, and challenging departmental spending proposals to ensure a focus on results and value for Canadians.

Information about the programs and activities of the Secretariat is available on the Secretariat's website.[ix]

Program Activity 3: Expenditure Management					
Human Resources (FTEs) and Planned Spending ($ thousands)					
2011–12		**2012–13**		**2013–14**	
FTEs	**Planned Spending**	**FTEs**	**Planned Spending**	**FTEs**	**Planned Spending**
301	**36,312**	**292**	**35,387**	**281**	**35,387**
Program Activity Expected Results		**Performance Indicators**		**Targets**	
Sound analysis of financial information to support decision making on allocating funds to achieve priorities and provide value for money for program expenditures.		Percentage of Treasury Board submissions that are deferred or not approved, based on information provided to Treasury Board, as a percentage of the total number of submissions considered by the Treasury Board.		20% annually	
		Percentage of departmental strategic reviews deemed as comprehensive by Treasury Board ministers.		100% (over a four-year cycle)	

Planning highlights

Supporting cost containment is a key priority for the Secretariat, in line with the government's increased focus on economic recovery and the return to balanced budgets (see "Strategic priorities for the 2011–14 period" in Section I). As a result, the Secretariat will need to be ready to respond to an increasing range of fiscal restraint measures (see "Risk analysis" in Section I).

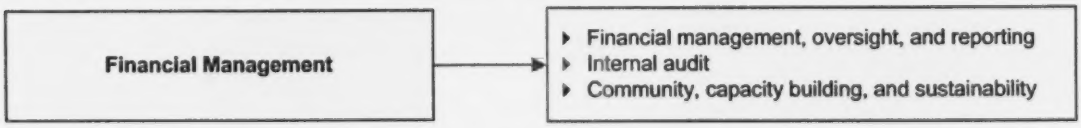
To support this program activity, the Secretariat will undertake the following key initiatives in 2011–12:

- Continue to guide implementation of key measures to support government cost containment, such as the three-year operating budget freeze for all federal departments.
- Launch the second cycle of strategic reviews of all direct program spending by engaging a first cluster of departments and agencies in the 2011–12 round of reviews.

Benefits for Canadians

Canadians benefit from government programs and services that provide value for taxpayers' money and are effective, efficient, and focused on results. The Secretariat's Expenditure Management program activity helps ensure that government spending is continually subject to comprehensive review and that decision making is supported by the best available information.

Program Activity 4: Financial Management



The Financial Management program activity is the other aspect of the budget office function. Through this program activity, the Secretariat develops policies and guidance to ensure that the financial management community across government has the right direction to carry out its financial responsibilities. The quality of financial management across departments is important for maintaining the accuracy and integrity of the government's financial records and accounts.

This program activity also includes the Secretariat's efforts to build capacity within the financial and audit communities, as well as its audit responsibilities. Information about the programs and activities of the Secretariat is available on the Secretariat's website.[ix]

Program Activity 4: Financial Management					
Human Resources (FTEs) and Planned Spending ($ thousands)					
2011–12		2012–13		2013–14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
183	33,057	178	26,467	171	26,467
Program Activity Expected Results		Performance Indicators		Targets	
Effective financial management function in the Government of Canada.		Improving content and timeliness of public financial reporting.		Clean audit opinion (annually).	
Effective internal audit function in the Government of Canada.		Percentage (%) of planned risk-based horizontal audits conducted in large and small departments and agencies.		80% annually.	

Planning highlights

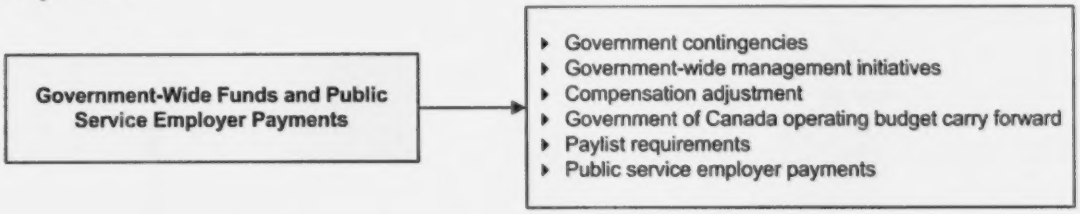
Efforts under this program activity support two of the Secretariat's strategic priorities: sound financial management of government resources and the modernization of government operations related to financial management (see "Strategic priorities for the 2011–14 period" in Section I). To support this program activity, the Secretariat will undertake the following key initiatives in 2011–12:

- Respond to the results of the evaluation of the *Policy on Internal Audit*[xiv] to ensure an effective internal audit function within departments and agencies.
- Support deputy heads in implementing new quarterly financial reporting requirements to provide consistency of financial information across the Government of Canada.
- Continue developing standardized business processes and financial data across departments and agencies in support of efficiency and conformity with financial management policies.
- Continue to support implementation of the suite of financial management policies (e.g., *Policy on Internal Control*).[xv]

Benefits for Canadians

Through the Financial Management program activity, the Secretariat helps to ensure the effective, efficient, and economical use of public resources and to safeguard public assets. It does so by strengthening financial management and internal audit practices across the federal public service and by supporting accountability in the management of public resources.

Program Activity 5: Government-Wide Funds and Public Service Employer Payments



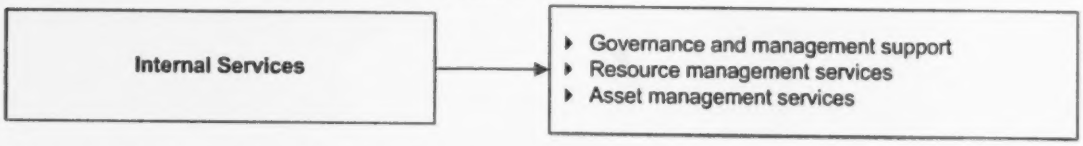
The Government-Wide Funds and Public Service Employer Payments program activity accounts for funds that are held centrally by the Secretariat to supplement other appropriations, from which payments and receipts are made on behalf of other federal organizations. These funds supplement the standard appropriations process and meet certain responsibilities of the Treasury Board as employer of the core public administration.

Program Activity 5: Government-Wide Funds and Public Service Employer Payments					
Human Resources (FTEs) and Planned Spending ($ thousands)					
2011–12		**2012–13**		**2013–14**	
FTEs	**Planned Spending**	**FTEs**	**Planned Spending**	**FTEs**	**Planned Spending**
–	2,452,225	–	2,328,354	–	2,318,396
Program Activity Expected Results		**Performance Indicators**		**Targets**	
Payments and receipts, held centrally by the Secretariat, are made on behalf of other federal government departments and agencies in an administratively sound and efficient manner.		Payments are made appropriately and on time.		Payments made as required by end of fiscal year 2011–12.	

Planning highlights

Administration of central funds falls under the Expenditure Management and People Management program activities; however, their associated financial resources are shown separately under Program Activity 5 in the program activity architecture for visibility and reporting purposes. Related information on planned spending is presented as online supplementary information in Section III.

Program Activity 6: Internal Services



Like any other department, the Secretariat must also implement Treasury Board policies to ensure the smooth running of its internal operations. Efforts in this area are captured in the Internal Services program activity. These include support functions such as communications, financial and human resources management, real property, information technology, and procurement. These services support all the Secretariat's other program activities. Information about the programs and activities of the Secretariat is available on the Secretariat's website.[ix]

Program Activity 6: Internal Services					
Human Resources (FTEs) and Planned Spending ($ thousands)					
2011–12		2012–13		2013–14	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
709	80,471	688	78,202	661	77,429

Identified FTEs provide some shared services to other departments, such as the Department of Finance Canada, the Privy Council Office, and the Canada School of Public Service.

Planning highlights

Efforts under this program activity will support improvements in the efficiency and effectiveness of the Secretariat's internal operations. This includes using the integrated business planning process to address government cost containment measures as they apply to the Secretariat, such as the operating budget freeze and the cap on travel and hospitality. Specific initiatives in this area in 2011–12 will support the Secretariat's management priorities (see "Management priorities" in Section I). The Secretariat is also managing departmental risks relevant to this program activity, such as aging IT infrastructure, information security, organizational change, and emergency preparedness (see "Risk analysis" in Section I).

Specific efforts to support continuous improvement in the Secretariat's operations will include the following key initiatives:

- Effectively manage implementation of the results of the Secretariat's 2009–10 Strategic Review.
- Effectively manage the impact of cost containment measures by identifying efficiencies in the Secretariat's internal operations, such as streamlining business processes.

- Strengthen integrated planning within the Secretariat by moving to a more strategic three-year planning horizon.
- Develop a long-term accommodation plan that includes plans to renew the Secretariat's workplace.
- Consolidate and relocate the Secretariat's data centres and continue implementation of the Employee Innovation Program.

The Secretariat will also undertake initiatives to strengthen its enabler role and simplify its oversight function, including the following:

- Use feedback from departments and agencies to strengthen the Secretariat's internal capacity to carry out its enabler role.
- Develop an IM/IT strategy for 2011–14, including an "IM road map" to support more effective use of the Secretariat's data and information.
- Support departmental implementation of Treasury Board policies through the provision of tools, guidance, and functional community capacity building.

It is through the Internal Services program activity that the Secretariat contributes to the Federal Sustainable Development Strategy. This includes integrating a sustainable development approach to the following areas: electronic waste, managed print, paper consumption, green meetings, and green procurement. Starting in 2011–12, the Secretariat will establish responsibilities, accountabilities, and performance baselines and develop effective systems to monitor results and progress. Targets, timelines, and additional details on the Secretariat's Greening Government Operations activities can be found as supplementary information in Section III.

Benefits for Canadians

The Internal Services program activity provides the necessary support for the success of all the Secretariat's program activities. Efforts by the Secretariat to continually improve its internal services contribute to better results in its core roles as a central agency and thus to a well-managed and accountable government.

Section III: Supplementary Information

Financial highlights

The highlights presented in this section are intended to serve as a general overview of the Secretariat's operations. Future-oriented financial highlights are prepared on an accrual basis to strengthen accountability and improve transparency and financial management.

The variance between the figures that follow and the planned spending amounts provided in other sections of the RPP relate to such items as non-respendable revenues, services without charge received from other government departments, amortization, and severance and vacation pay liability adjustments. Also, statutory payments related to the employer's portion of the Employee Benefit Plan and payments of pay equity settlements are included in the following figures, but not in the planned spending.

Condensed Statement of Operations for the Year Ended March 31 ($ thousands)

	% Change	Future-Oriented 2011–12	Future-Oriented 2010–11
Expenses			
Government-Wide Funds and Public Service Employer Payments	7%	2,458,425	2,293,315
Management Frameworks	3%	79,670	77,256
People Management	-2%	71,608	73,152
Expenditure Management	-4%	39,984	41,545
Financial Management	-6%	36,183	38,594
Internal Services	-6%	88,256	93,891
Total Expenses	**6%**	**2,774,126**	**2,617,753**
Revenues			
Government-Wide Funds and Public Service Employer Payments	-12%	9,010	10,227
People Management	-1%	7,800	7,846
Internal Services	0%	2	2
Total Revenues	**-7%**	**16,812**	**18,075**
Net Cost of Operations	**6%**	**2,757,314**	**2,599,678**

Condensed Statement of Financial Position for the Year Ended March 31 ($ thousands)

	% Change	Future-Oriented 2011–12	Future-Oriented 2010–11
Assets			
Financial Assets	-1%	527,647	530,565
Non-Financial Assets	-20%	11,716	14,624
Total Assets	**-1%**	**539,363**	**545,189**
Liabilities			
Liabilities	11%	719,550	649,053
Total Liabilities	**11%**	**719,550**	**649,053**
Equity	**73%**	**-180,187**	**-103,864**
Total Liabilities and Equity	**-1%**	**539,363**	**545,189**

During the year, the Secretariat adopted the revised Treasury Board Accounting Standard (TBAS) 1.2: Departmental and Agency Financial Statements, which is effective for fiscal year 2010–11. The major change in the Secretariat's accounting policies required by the adoption of the revised TBAS 1.2 is the recording for amounts due from the Consolidated Revenue Fund as an asset on the future-oriented statement of financial position.

The complete Future-Oriented Financial Statements can be found on the Secretariat's website.

List of supplementary information

All electronic supplementary information tables in the *2011–12 Report on Plans and Priorities* can be found on the Secretariat's website at http://www.tbs-sct.gc.ca/rpp/2011-2012/info/info-eng.asp:

- Greening Government Operations
- Upcoming Internal Audits and Evaluations Over the Next Three Years
- Sources of Respendable and Non-Respendable Revenue

Section IV: Other Items of Interest

Sustainable development

In line with the Federal Sustainable Development Strategy (FSDS), the Treasury Board of Canada Secretariat (the Secretariat) commits to:

- Working with Environment Canada and Public Works and Government Services Canada to facilitate the integration of FSDS, including through annual Reports on Plans and Priorities and Departmental Performance Reports.
- Providing more specific information on departmental sustainable development activities that is appropriate to the department or agency's mandate
- Strengthening the application of Strategic Environmental Assessments by ensuring that the government's environmental goals are taken into account when pursuing social and economic goals.

For details on the Secretariat's activities in support of sustainable development, please consult the Secretariat's website.

For a full discussion of FSDS please visit the Environment Canada website.[viii]

Endnotes

i. *Federal Accountability Act*, http://laws-lois.justice.gc.ca/eng/F-5.5/index.html

ii. Worldwide Governance Indicators, http://info.worldbank.org/governance/wgi/index.asp

iii. Well-managed and efficient government operations, http://www.tbs-sct.gc.ca/reports-rapports/cp-rc/2009-2010/cp-rc06-eng.asp#wellmanaged

iv. The Strategic Review Process, http://www.tbs-sct.gc.ca/sr-es/index-eng.asp

v. Red Tape Reduction Commission, http://www.reduceredtape.gc.ca/index-eng.asp

vi. *Public Service Modernization Act*, http://laws.justice.gc.ca/en/P-33.4/

vii. Policy Suite Renewal, http://www.tbs-sct.gc.ca/prp-pep/index-eng.asp

viii. The Federal Sustainable Development Strategy, http://www.ec.gc.ca/dd-sd/default.asp?lang=En&n=C2844D2D-1

ix. The Programs and Activities of the Secretariat, http://www.tbs-sct.gc.ca/tbs-sct/abu-ans/tbs-sct/paa-aap-eng.asp

x. TB Management Accountability Framework, http://www.tbs-sct.gc.ca/ri-qr/directive/directive00-eng.asp

xi. *Cabinet Directive on Streamlining Regulation*, http://www.tbs-sct.gc.ca/ri-qr/directive/directive01-eng.asp

xii. Public Service Employee Survey, http:www.statcan.gc.ca/cgi-bin/imdb/p2SV.pl?Function=getSurvey&SDDS=4438&lang=en&db=imdb&adm=8&dis=2

xiii. *Public Sector Equitable Compensation Act*, http://laws.justice.gc.ca/eng/P-31.65/index.html

xiv. *Policy on Internal Audit*, http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=16484

xv. *Policy on Internal Control*, http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=15258